

To: All ESC ITSP Users/Customers and All ITSP BPA Holders/  
Teammates

From: Steve Linchey (ESC/XPK); ITSP Corporate Contracting  
Officer

Subject: Deletion of ITSP BPA Terms and Condition (T&C) #14  
“Contract Manyear Equivalent Limitations”

1. The subject ITSP BPA T&C #14, which is now being deleted (#14 now is "Reserved"), had read as follows:

"Manhours incurred by each BPA holder employee working under an order are limited each year to the Contract Manyear Equivalent (CME) of 1764 hours, unless "mission essential" increases (at straight time) are authorized by the using program."

2. We have decided to remove this proviso from the BPA because it seemed to be causing confusion for both ESC Users & BPA Holders/Teammates. The original intent of this clause was to notify all parties concerned (especially the ESC user) that DoD has determined that the average productive manyear consists of 1764 hours after 316 hours are subtracted from a maximum manyear of 2080 hours (due to average work time lost to Federal Holidays, vacation & sick leave absences; training; etc.). ESC as a Center has a ceiling on the amount of A&AS manyears it can procure for contracted support each year, and the individual SPO users receive a portion of that overall ceiling for their use (own internal ceiling results). Each manyear is defined as 1764 hours, so if a user has been allotted 100 manyears, technically the user is limited to an expenditure of 176,400 manhours of contracted support that year. The Provision in the BPA was not intended to require that a user limit an offeror's bid to no more than 1764 manhours per each individual proposed under a labor category (although it could for budgetary reasons, etc.). Neither was it intended to limit an offeror's proposal for its requirements solution to support the user's SOO as provided, to a limit of 1764 hours per individual (unless such a max is provided as a bid condition in the RFQ).

3. What users have to realize, however, is that if they procure support where each individual providing ITSP support is averaging 1960 hours, for instance, your manyear ceiling of 100 really becomes 90 now because you have exceeded the norm of 1764 by 11% per person on average with expenditures of 1960 hours per individual per year ( $1960 \times 90 = 176,400$ ). And unless you had a program schedule that required authorization for additional "straight loaded labor rate overtime" to be worked, I can't imagine any support personnel expending anymore than a maximum of 1920 hours per year given the fact that of the max of 2080 hours, 80 hours aren't worked over the 10 Federal Holidays; and I would expect each company employee to be receiving at least 2 weeks of vacation each year, thus eliminating 80 more hours. Those with 3 weeks vacation would be down to 1880 hours, etc., etc.

4. What the ITSP contractors have to realize is that the ITSP Task Orders (emanating from the BPA and their GSA/FSS contract) ARE NOT "FULL EMPLOYMENT" CONTRACTS!!! There may be times due to budgetary reasons, or whatever, that a user will not need every individual supporting their task order to be working a full 40 hour week average. If contractors feel they must bill to a certain level to meet their overhead and profit requirements, then at times they may have to reduce the number of personnel to better fit the maximum manhour burn rate expected by the user on a weekly/monthly basis.
5. I hope that the above has provided some clarification on this point of "CME" hour limits.

//signed//

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